RAJYA SABHA

Monday, the 14th May, 1990/the 24 Vaisakha, 1912 (Saka)

The House met at eleven of the clock,

Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Fair price of Paraxylene

*161. SHRI SATYA PRAKASH MALAVIYA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to refer to the answers to Unstarred Question 638 and 639 given in the Rajya Sabha on the 19th March, 1990 and state:

(a) whether Government propose to decide upon the fair selling price of Paraxylene;

(b) whether it is a fact that import of Paraxylene was permitted to a manufacturer of DMT with a view to enable him to sell DMT at cheaper rates to the consumers; and

(c) if so, whether the objective has been achieved and if so, to what extent?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI M. S. GURUPADASWAMY): (a) to (c) A statement is laid on the Table of the House.

Statement

There is no statutory control over prices of Paraxylene. Import of Paraxylene is permitted in the country as per the prevailing import policy and not with a view to enable DMT producers to sell DMT at cheaper rates. Until end of March, 1990 import of Paraxylene was canalised through Indian Petrochemicals Corporation Limited. Besides, direct imports were also permitted to a DMT producer as per provision of import policy. In the new Export-Import Policy, Paraxylene imports are shifted to App-3A i.e. Limited Permissible List.

Import of Paraxylene has ensured that domestic DMT production does not suffer for want of this key input.

श्री सत्य प्रकाश मालवीय : क्या डायरेक्टर जनरल आफ टैक्नीकल डिपार्टमेंट ने पैरेक्सीलीन की देश में उपलब्धि और आयात की जरूरत पर कोई सर्वेक्षण या परीक्षण किया है ? और यदि हां, तो उसकी रिपोर्ट क्या है ? और यदि नहीं, तो क्या ऐसा परीक्षण या सर्वेक्षण कराने का सरकार का इरादा है ?

SHRI M. S. GURUPADASWAMY: Sir, the Director-General of Technical Development is not making a survey. But we know the capacity required for various units here and that information is already available. It does not require any survey at all.

श्री सत्य प्रकाश मालवीय : यह मंत्री जी के उत्तर से संबंधित है । उत्तर यह है कि पैरेक्सीलीन के मूल्यों पर कोई कानूनी नियंत्रण नहीं तो मैं जानना चाहता हूं कि इसके मूल्य पर कानूनी नियंत्रण न करने के क्या कारण हैं ? और क्या सरकार इस पर पुनर्विचार करेगी मूल्यों को नियंत्रण करने के लिये ?

SHRI M. S. GURUPADASWAMY: Will you please repeat the question?

SHRI SATYA PRAKASH MALAVIYA: I want to know, what is the reason? Your reply is that there is no price control. My question is, what are the reasons for not controlling the price? And is the Government considering to revise the price control?

SHRI M. S. GURUPADASWAMY: Sir, it does not have any statutory price control at all. Nevertheless, the Government fixes the price keeping in view the modity. Normally, there is no statutory price control on Paraxylene.

SHRI N. K. P. SALVE: May I know from the hon. Minister whether Paraxyline is imported entirely for the purposes of manufacture of DMT which in turn is used for fibre filament yarn, ultimately to make fabrics and expensive garments which only the rich can afford? In other words Praaxylene is imported as a luxury

item. Firstly in view of the high sounding announcement made by the Prime Minister that in the post-Independent India there has to be a sacrifice to maintain our economic independence and even edible oil is not to be allowed, what is the warrant for the prevailing import policy to enable the import of this kind of luxury item? No. 1. Two, is it being done with the intent and propose of allowing profit to be made by some private importers, because I am told that Paraxylene is also being manufactured by two public sector undertakings in India? An item which is being manufactured, why is it being allowed to be imported? And finally, if import must be allowed, why are you not raising the import duty to mop up import duty and minimise the profit to private importers? I only hope you are not wanting to oblige the importers. He is a very straightforward hon. Minister and I would want a straightforward honourable reply.

SHRI M. S. GURUPADASWAMY: My answer will be very straightforward and frank. Sir, Paraxylene is the basic input for the manufacture of DMT and PTA. These, in turn, are the primary inputs for polyester staple fibre and polyester filament yarn. He has indiractly brought the capacity into his question. Here are the figures for the benefit of the House. The IPCL has got the capacity of 30,000 tonnes, BRPL 46000 tonnes, Bombay Dyeing 60000 tonnes and Reliance Industries 100,000 tonnes. We still import paraxylene to make up the deficit. The total requirement is about 164500 tonnes. Here the capacity is 116000 tonnes and the deficit is 48500 tonnes. Sir, we do require something more and, therefore, we import.

SHRI N. K. P. SALVE: Sir, he has not replied to the main question. Why do they not mop up the profits of the private importers? The international market of paraxylene has crashed. Why don't you raise the import duty?

SHRI M. S. GURUPADASWAMY: The Commerce Ministry takes all these aspects into consideration. The Finance Ministry also considers these things. They impose the duties. It is not done by my Ministry at all.

MR. CHAIRMAN: His answer is very clear. (*Interruptions*) His answer is very clear. Your question should be directed to the Ministry of Finance or the Ministry of Commerce.

SHRI N. K. P. SALVE: Sir, this is the nodal Ministry. Sir, we are working on the principle of joint responsibility.

MR. CHAIRMAN: So far as questions and answers are concerned, you can't take that into account.

SHRI PRAMOD MAHAJAN: Sir, the Minister has just now said that paraxylene prdouces DMT and PTA. Now, the DMT nad PTA also don't come under any statutory control. But the Government has fixed the fair selling price of DMT and PTA which are made of paraxylene. This paraxylene is produced from Naptha which is produced by the Government refineries. Therefore, the Government has fixed the price of the primary product. There is also a fair selling fixed by the Government of the end product. So, I would like to know whether there is any fair selling price of paraxylene fixed by the Government. If so, what is the price? If the price is not fided, then why only paraxylene is left out when Naptha is controlled and DMT and PTA prices are controlled? I want to know the reason.

SHRI M. S. GURUPADASWAMY: The Cost Accounting Branch of the Finance Department has fixed the prices. There are two types of prices fixed for captive consumption and for general merchants' sale. For the purpose of captive consumption, the C.A.B. has fixed the price of paraxylene at Rs. 18,076/- per ton and of PTA at Rs. 23,249/- per ton. For merchants' sale, the prce of paraxylene is Rs. 18,400/- per ton and for PTA it is Rs. 24.550/- per ton.

SHRI PRAMOD MAHAJAN: Is the imported price cheaper or costlier?

SHRI M. S. GURUPADASWAMY: The international market is volatile. It fluctuates. Sometimes, it is cheaper. Therefore, that will be taken care of for the purpose of imposition of duty.

SHRI PRAMOD MAHAJAN: Sir, the problem today is the import is costlier than the domestic price, and the Government is allowing the import when it is available in the domestic market. It is just surprising.

MR. CHAIRMAN: Shri S. B. Chavan.

SHRI S. B. CHAVAN: Sir, I would like to know whether the established capacity of indigenous producers is fully utilised. Sometimes even if the established capacity is say 100 per cent, they produce 110 per cent of the established capacity. Is it the case of the Government that the established capacity was fully utilised, and since the prices were ruling very high Government thought it fit that a particular party should be allowed to import? A few days before, Sir, the Government had made a policy statement that 'we are not interested in either of the industrial houses'. But if any other inference can be drawn I will be the happiest person. But the only inference which can be drawn is that Government wanted to oblige a particular party for importing Paraxylene to a particular extent. I would like to understand from the Government how far this is true that a particular party was obliged by the Government merely because the industrialists could not see eye to eye. In spite of the fact that indigenous production was available, and locally it was available at a cheaper price as hon. Member, Shri Mahajan, has said, still import was allowed.

AN HON. MEMBER: Why not name the party?

SHRI M. S. GURUPADASWAMY: Sir, the local price may not be cheaper at all, and may be higher. Sir, about capacity utilisation, my information is—I am subject to correction—that we have utilised the capacity almost fully. But there is a deficit. The deficit is covered by imports. We are expanding the capacity of IPCL and also other undertakings. Then, perhaps, we may be able to reach the full capacity and also may be able to meet the rising in demand.

SHRI N. K. P. SALVE: Who would be the main beneficiary of the import?

SHRI ATAL BIHARI VAJPAYEE: Sir, a definite allegation is being made on the floor of the House. What is the name of this party which is being obliged by the Government? Sir, I am completely in the dark.

SHRI VISHVJIT P. SINGH: Only one party is allowed...

SHRI ATAL BIHARI VAJPAYEE: Not Bharatiya Janata Party.

SHRI VISHVJIT P. SINGH: 'B'" is common between BJP and that party.

MR. CHAIRMAN: Shri Chaturanan Mishra.

श्री चतुरानन मिश्र : सभापति महोदय, मैं दो बिंदुओं पर सरकार से स्पष्टीकरण चाहूंगा। पहली बात तो यह है कि जिस विषय को वाजपेयी जी ने उठाया है कि उस पार्टी का नाम बताएं कि किस पार्टी के साथ फेवर किया जा रहा है या नहीं किया जा रहा है, यह हम लोग भी तो समझें। सरकार का यह कर्तव्य है कि सदन को और हम लोगों को इस बात से वाकिफ करे कि वह पार्टी कौन है ? दूसरा बिन्दु जिसको मैं जानना चाहता हूं वह यह है कि विदेशों से जिस चीज को आप सस्ते दाम पर मंगाते हैं और उससे यहां पर जो सामान तैयार होता है उसकी बहुत हाई कास्ट हो जाती है। सरकार स्टेटयूटरी कंट्रोल रखे या न रखे, किन्तु यह सरकार का कर्तव्य है कि अगर हम इम्पोर्ट के जरिये कोई रा-मेटिरियल चीपर रेट पर मंगाते है तो उसका जो प्रोडक्ट होता है वह भी सस्ता मिले। इसलिए क्या सरकार कोई इन-बिल्ट सिस्टम रखेंगी कि इस तरह की चेकिंग रखे कि टाइम टू टाइम इसमें

क्या हो रहा है ? इसलिए क्या सरकार कोई इन बिल्ट सिस्टम बनाएगी ?

SHRI M. S. GURUPADASWAMY: Sir, the Government's intention is clear that we want to regulate the prices of all these commodities. And paraxylene is an important commodity. And when the prices of the local manufacturers rise abnormally and the requirement is large, we do import. And now the international market is a little cheap. To equalise the prices of the manufacturers here and the international prices, we impose import duties as well. Therefore, this is a normal commercial transaction. I do not think you should impute any motive to the Government. (*Interruptions*).

SHRI CHATURANAN MISHRA: What is the name of the party which the Government is favouring?

MR. CHAIRMAN: Both Mr. Chaturanan Mishra and Mr. Vajpayee have asked whether there is one party and if so, they want to know the name of that party.

SHRI M. S. GURUPADASWAMY: I do not want to be caught between the duel or the feud of some private manufacturers here'. As the Government... (*Interruptions*).

MR. CHAIRMAN: Is there one party? If so, the House has a right to know the name of the party. And this is what both Mr. Chaturanan Mishra and Mr. Vajpayee wants to know.

SHRI M. S. GURUPADASWAMY: We do not favour any party. (*Interruptions*).

MR. CHAIRMAN: Is there one party which is permitted to import and if so, which is that party? This is what both the Members want to know. I think if there is one party, there could be no hesitation in naming it. If there are more than one, you can say there are more than one.

SHRI M. S. GURUPADASWAMY: There is one party which requires Paraxylene.

MR. CHAIRMAN: You name it.

SHRI M. S. GURUPADASWAMY: If you insist... (*Interruptions*).

SHRI SUBRAMANIAN SWAMY: Sir, the old orthodox Hindu 'patni' would not name her husband. And he is behaving just like that.

MR. CHAIRMAN: He is 'Gurupadaswamy'. He is also a 'swamy'.

SHRI M. S. GURUPADASWAMY: I am only being fair. (*Interruptions*). May I reply? Because you insist, Sir, Bombay Dyeing... (*Interruptions*) I have not completed my reply. Bombay Dyeing imported Paraxylene last year. And the IPCL was the canalising agency. The IPCL imported about 4000 tonnes of Paraxylene and in addition, Bombay Dyeing has also been given licence for import of 8000 tonnes of Paraxylene.

SHRI VISHVJIT P. SINGH: Mr. Chairman, Sir, the Minister cannot evade responsibility by trying to say that this is a matter concerned with the Commerce Minister or this is a matter concerned with the Finance Minister. The fact is that the Department of Chemcals is the nodal department for making recommendations as for overseeing all statutory imports and exports, the prices, etc, Everything is overseen by the Department of Chemicals. So the Minister cannot evade responsibility. The fact is that the price of Paraxylene interantionally has been going down. In the beginning of 1989, it was 900 dollars per metric ton It is now 390 dollars per metric ton. This is soon going to come even further down. The Finance Minister has given an assurance to the other House in reply to an unstarred question where he has stated, "We are checking the prices of Paraxylene. it is already coming down in the international market. And we will raise the duties." Duties have been raised on other items

which are required, but not on Paraxylene. Therefore, it is cheaper to import. Paraxylene is available within the country. Manufacturers have been getting in touch with this department and with other departments stating that Paraxylene is available and there is indigenous production very much available. The IPCL's new plant is going to go into production in June or July. The Minister is aware of that.

MR. CHAIRMAN : What is your question ?

SHRI VISHVJIT P. SINGH : I have to make my background. I have to correct the erroneous impression given by the Minister. Bombay Dyeing is one party. I did not want to name it but the Minister has named...

MR. CHAIRMAN : You made him do it.

SHRI VISHVJIT P. SINGH : I did not.

MR. CHAIRMAN : 'You' means the House.

SHRI VISHVJIT P. SINGH : Sir, one party has already been allowed the import of 12000 metric tonnes and they have applied for more. The loss of foreign exchange is already to the tune of Rs. 20 crores. The extra profit to Bombay Dyeing is already Rs. 20 crores. When the Minister is asking for curbs in the consumption of kerosene, curbs in the consumption of petrol, will he give us an assurance : (1) that he will recommend to the Finance and Commerce Ministries for raising of the import duty on paraxylene and (2) recommend to the Finance and Commerce Ministers that further imports of paraxylene must not take place because indigenous production is available ?

SHRI M. S. GURUPADASWAMY : Sir, BICP has recommended Rs. 14.200 per tonne of paraxylene, that is the fair price at today's duty of 80 per cent per tonne. Sir, it is one of the duties of the Government to see that the industries function normally, they should not be starved out of raw material. This is being taken care of. Whenever there is domestic supply, we stop importing any material for that matter, not only paraxylene.

SHRI VISHVJIT P. SINGH : Domestic supply is available.

SHRI M. S. GURUPADASWAMY : I told you that there was deficit in the past. When that deficit is covered...

MR. CHAIRMAN : He says that there was deficit.

SHRI VISHVJIT P. SINGH: There was deficit in the past but the import licence is given now.

SHRI M. S. GURUPADASWAMY : Even now there is deficit. When this licence capacity is put through, then the import need not be there.

SHRI VISHVJIT P. SINGH : Is the Minister saying categorically that it is not available, that there is deficit now ? I want a categorical answer from the Minister. Let him say that it is not available now.

SHRI SITARAM KESRI : The cat is out of the bag.

SHRI M. S. GURUPADASWAMY : Reliance gave an offer. Let me tell you.

SHRI SITARAM KESRI : Whether it is Reliance or Bombay Dyeing, the cat is out of the bag.

SHRI M. S. GURUPADASWAMY : Reliance Industries was permitted to manufacture its captive requirements. It was given, but there was excess capacity available with Reliance. Reliance made an offer to Bombay Dyeing. At one time it was also sold to Bombay Dyeing that is my information. Some quantity was sold, but there was controversy over the price. So, this matter was referred to BICP and Cost Accounting Cell of the Finance Ministry. They have yet to take a view on this. But in the meantime fair price has been fixed by the Government. I have told you about the price.

SHRI N. K. P. SALVE: Is it in short supply today? (*Interruptions*).

SHRI VISHVJIT P. SINGH: If you allow further imports, you will lose another Rs. 50 crores of foreign exchange. What are you going to do about that? You have already admitted here...

MR. CHAIRMAN: He says that it is in short supply.

SHRI VISHVJIT P. SINGH: It is not.

SHRI M. S. GURUPADASWAMY: It is the policy of the Government to regulate the price of a commodity. If a particular manufacturer quotes very high and... (*Interruptions*). Let me complete.

SHRI SUBRAMANIAN SWAMY: If somebody is ready to give at a reasonable price, why are you not taking?

SHRI VISHVJIT P. SINGH: 70 crores extra profit. Thank you, Mr. Minister

SHRI M. S. GURUPADASWAMY: It is the duty of the Government to regulate the trade. (*Interruptions*)

SHRI VISHVJIT P. SINGH: Yes, yes, for Bombay Dyeing, for 70 crores extra profit. Thank you, Mr. Minister.

MR. CHAIRMAN: Question No. 162.

SHRI SUBRAMANIAN SWAMY: Sir, there is a smell of kick-backs in this whole thing. It should be investigated. (*Interruptions*)

SHRIMATI MARGARET ALVA: Sir, 100 crores profit a year to one company. Bombay Dyeing. What has he to say about that?

SHRI N. K. P. SALVE: Sir, would you permit...

SHRI SUBRAMANIAN SWAMY: Sir, it means a windfall profit of Rs. 50 crores. There may be a kick back. He must assure the House that there will be a probe and he would tell the House what the truth is.

SHRI N.K.P. SALVE: Sir, I crave your indulgence. It is good that they did not allow one of the suppliers to make a profit. But they allowed a buyer to make a profit of Rs. 10,000 per ton on imported Paraxylene. Sir, may I request you to allow a discussion on this subject?

MR. CHAIRMAN: You write to me. That is the normal practice. Question No. 162.

Timings of hospitals in Delhi

*162. SHRI SYED SIBTEY RAZI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether all major hospitals in Delhi observe uniform timings to examine patients in their O.P.Ds;

(b) if so, what are the details of these timings hospital-wise;

(c) What are the details of the instructions issued to ensure availability of specialists, medical officers, paramedical and other categories of staff in their respective departments as also the prescribed timings therefor;

(d) whether senior officials of his Ministry visit all major hospitals to ensure availability of specialists, medical officers etc. during OPD timings; and

(e) if so, what are the details thereof and if not, what are the reasons therefor?

THE MINISTER OF ENERGY WITH ADDITIONAL CHARGE OF THE MINISTRY OF CIVIL AVIATION (SHRI ARIF MOHAMMED KHAN): (a) to (e) A statement is laid on the Table of the Sabha.